WORLD BANK NEWS

Volume XIII, No. 39 October 20, 1994

LENDING

A Healthier Start for Children – and Their Mothers – in Inland China

In China, the quality of your health care depends in large part on where you live.

China's overall health exceeds that of most developing countries, but not all Chinese have access to the same quality of care. The richer, mostly coastal areas have developed an effective system of sophisticated services, and most of them have organized health insurance sectors. But many of the poorest areas of the Southwest and Northwest lack even adequate basic care.

A new project by the International Development Association (IDA) seeks to ease this disparity in one crucial field where it is most severe, and most damaging: maternal and child health.

The contrasts are stark. China's range of infant and maternal mortality rates is one of the widest in the world. Poor provinces such as Guizhou and Yunnan suffer infant mortality more than six times higher than Beijing Province. In those same provinces, from 1989 to 1991, the maternal death rate was 170 per 1,000 live births, compared to only 40 in more affluent areas.

"The economy and education levels are higher in the coastal areas than in the interior," says Jagdish Upadhyay, a senior project officer in the Bank's East Asia region. "The income level is higher, and so is the level of health."

A $90 million credit from IDA, along with almost $50 million from provincial and county governments in China, will fund a program of better basic care for 100

See CHINA, page 2

C. Carnemark/World Bank

Picture of health.

In Brazil's Amazon Basin, the Bank is working to improve health care for the Yanomami tribe. 3

Bank economists project private capital flows to developing countries likely to continue, commodity prices likely to fall. 4

Development agenda, page 5

Weekly roundup, page 6

READEX

Immunizations, Nutrition and Basic Care for 100 Million of China's Poorest

CHINA, *from page 1*

million of the country's poorest people in the eight poorest provinces. The program will reduce maternal and infant mortality and morbidity in the shortest time possible by bringing programs that already work to about 300 counties that lag behind. It will deliver equipment, training, educational programs and improved management to villages, townships and counties.

Project efforts will include primary and emergency maternal care, child care, immunization, nutrition, health education and breast-feeding promotions. A small national component will help the Ministry of Public Health improve its oversight and coordination of maternal and child health programs.

The program is one of the largest single maternal health projects ever implemented. Other Bank projects have included smaller-scale components. Because investments in maternal and child health are among the most effective health investments, they play an important role in the Bank's work to reduce poverty.

Programs that target women and children cover a larger portion of the population than other projects, and a healthy start at birth can pay off with better health for a lifetime for some of the most vulnerable people.

"These are the people who really suffer the most, and this is the best preventative medicine you can practice," says Upadhyay. "Controlling maternal bleeding alone can save thousands of women's lives. And proper immunization and proper care in a child's first year goes a long way toward better health and higher intelligence later on." □

Infant and Maternal Mortality Rates for Wealthier and Poorer Provinces

Provinces	Infant Mortality Per 1,000 live births	Maternal Mortality Per 100,000 live births
Beijing	11	40
Jilin	27	47
Shandong	17	40
Guizhou	68	170
Sichuan	50	170
Yunnan	74	170
NATIONAL	35	88

Source: Infant Mortality Rates from the unadjusted 1990 census (first 6-months' deaths and births data.) Maternal Mortality Rates for the 1989-91 period derived from the National Surveillance System which produced only regional averages.

C. Carnemark/World Bank

Looking at better care.

LENDING

Fighting Malaria and Bringing Better Health Care to Amazon Peoples

World Bank

Gold mining is illegal on the Yanomami Reserve in Brazil. The miners introduce diseases that can wipe out whole villages. But protecting the Yanomami is difficult in part because local towns hungry for development – like this one – encourage illegal mining. But a Bank health project on the reserve may be helping.

Contact with the modern world has never been easy for indigenous peoples. In Brazil's Amazon basin, a Bank-sponsored health project is working to keep interaction from being absolutely devastating.

In the state of Roraima, diseases carried into the rainforests by thousands of new settlers and illegal miners are ravaging one of the Brazil's most threatened—and most recently contacted—tribes, the Yanomami. With the end of isolation have come new illnesses like influenza, measles, sexually transmitted diseases and tuberculosis, infections the Yanomami have neither the immunity nor the health care to fight. In some cases, they are dying from diseases—like malaria—once thought under control, but that are being reintroduced by new arrivals.

"All of these diseases can kill in populations that have not been exposed to them," says Bank health expert Alexandre Abrantes. "Already, some of these villages are decimated. It's not exceptional to have 25 percent of a village die in a year."

Protecting the Yanomami has proven difficult, in spite of efforts by Brazil, the Bank, non-governmental organizations and others to improve health care in their isolated homeland. The Yanomami's numbers are small and so is their political influence. Local municipalities—eager for economic development—encourage illegal gold mining and other commercial activities that bring people into the region. And the Brazilian military has not welcomed international operations in the Amazon basin.

But a Bank project, with help from NGOs in the region, may be making a difference. The project was launched in 1989 to reduce malaria in the Amazon basin, and a Yanomami subproject was included to give special attention to the tribe's general health needs as well as its malaria risk. Although progress on the Yanomami component has been slow, it is now delivering key health elements to the tribe's reserve.

"Now they are moving," says Abrantes, a senior public health officer in the Bank's Latin America region and task manager for the project. "Within the last year they've delivered almost $4 million worth of civil works, equipment and personnel."

The renewed effort is being funded by the Bank and carried out by NGOs such as *Medecins Sans Frontières*, Catholic and Methodist agencies and the local group that led the fight for a Yanomami reserve in the late 1980s. They and the national health ministry are overseeing a much-needed influx of doctors, nurses, medicines, even aircraft to transport supplies and the ill around the isolated region. Two special clinics, or *Casas Do Indio*, are being refurbished. Each is a treatment and residential compound, large enough to house patients and the extended families that by custom must accompany them when they come for treatment.

Abrantes and his team plan a trip next spring—after the rains—to see how much the recent progress will help protect the Yanomami from some of the new risks they face.

The larger Amazon-basin malaria-control project has made great strides since 1989. After years of relative dormancy, the disease returned to the rainforests with the new settlers and miners in the early 1980s. Malaria spread explosively in the mosquito-rich jungles, but Bank-sponsored diagnosis, treatment and mosquito control have slowed the spread of the disease and started to reduce its incidence. □

Forecast: Commodity Rise Probably Won't Last, Private Investment Probably Will

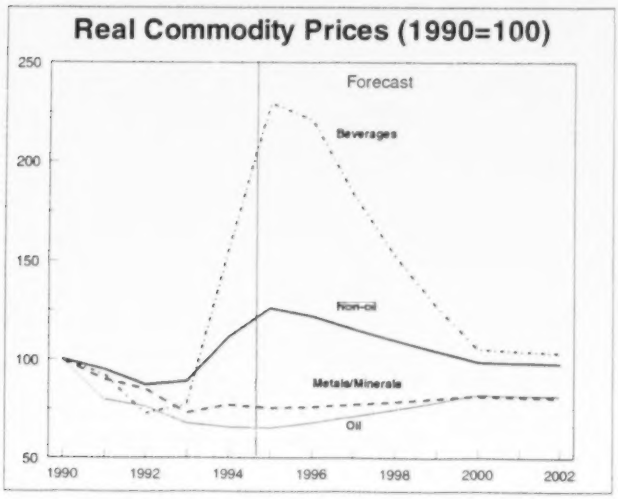
The current surge in commodity prices probably will not last, robust private capital flows to developing countries are likely to continue, and regional growth around the world will probably become more balanced in coming years, according to projections presented to World Bank staff last week by the Bank's chief economist.

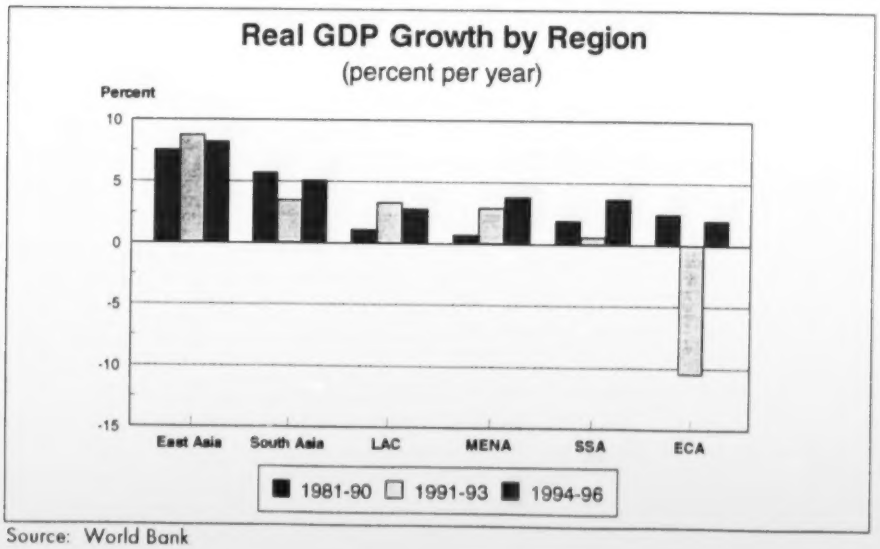
In a briefing to guide Bank staff on how the world economy might affect their planning and work in individual countries and regions, Chief Economist Michael Bruno, and Uri Dadush, head of the International Economic Analysis and Prospects division, said the external environment forecast for developing countries remains cautiously favorable.

Specifically, they predicted that:

• **The commodities price surge will not last**. While prices are likely to continue their rise over the next two to three years of recovery, factors such as rising productivity and a growing labor supply could drive prices back down in the longer term.

The situation will require careful management by the developing countries themselves to get the most benefit from the jump in commodities revenue. "Countries that have a bonanza will have a temporary bonanza," Bruno said.





Source: World Bank

• **Strong Private Capital Flows Are Likely To Continue.** Private investment in developing countries, which now exceeds the pre debt-crisis levels of 1980, should be sustainable, Dadush said. Three main factors point to continued strong investment.

M. Ignacio

Michael Bruno

Most of the major recipient-countries seem to be striving for greater fiscal probity and openness, and appear capable of maintaining investor confidence.

Structural changes in the world economy point to more—not less—interest in developing countries: technological advances continue to "globalize" business, fears of political and paradigm shifts have faded with the end of the Cold War and mutual funds give developing countries access to both small and large investors.

And finally, low inflation indicates that a monetary crunch that would curtail investment in the developing countries is unlikely (although not impossible) for the time being.

• **A more balanced picture of world growth is likely to emerge over the next two to three years**. East Asia's growth could stabilize as China's rapid expansion slows. In Latin America, proper management of inflation and current accounts are the keys to maintaining growth at, or slightly below, current levels.

In the transition economies of Europe and Central Asia, the number of countries showing positive growth is rising, improving the rates for that hard-hit region. And South Asia and Sub-Saharan Africa could post significantly faster growth. Africa should get a boost from rising commodities prices. □

Development Agenda

Date	Event	Sponsor	Location	Telephone
OCTOBER				
24-26	International Conference on Environmental Issues in Minerals and Energy Industry	Mining Engineers' Association of India	New Delhi	(91) 674 51224
24-27	Second International Conference on Carbon Dioxide Removal	Research Institute of Innovative Technology for the Earth	Kyoto, Japan	(81)6 376 2963
24-28	International Centers Week: Consultative Group on International Agricultural Research (CGIAR)	CGIAR	Washington	(202)473-8913*
24-28	Special Program on Africa Donors' Meeting	World Bank	Paris	(33-1)4069-3016
28-29	Sixth Annual Governing Meeting	Common Fund for the Commodities	Amsterdam	(3120)66-46-409
NOVEMBER				
1-3	GEF Council Meeting	GEF	Washington	(202)473-8324*
2-4	Bolivia Consultative Group Meeting	World Bank	Paris	(33-1)4069-3016
6-11	Third International Congress on Energy, Environment and Technological Innovation	Central University of Venezuela/ University of Rome "La Sapienza"	Caracas, Venezuela	(58-2)693-1103
15-16	Viet Nam Donors' Meeting	World Bank	Paris	(33-1)4069-3016
16-23	Fifth African Regional Conference on Women	United Nations	Dakar, Senegal	(251)1-51-1263
21-22	First African Development Bank Conference in South Africa	African Development Bank	Johannesburg, South Africa	(27-11)883-3737
21-25	Banking with the Poor: Third Asia—Pacific Regional Workshop	The Foundation for Development Cooperation	Brisbane, Australia	(61)7-236-4633
29-Dec. 2	10th Annual Conference of the Center for Environmental Information	Center for Environmental	Washington	(716)262-4156*

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Weekly Lending Roundup

China As China makes its transition to a market economy, it's also making fundamental changes to its legal system. Market economies need a fair, understandable and credible legal framework that provides "the rules of the game." The task is enormous, and the pace is picking up: more laws will be considered during this five-year session of the National People's Congress than were enacted in the previous 43 years.

A credit of SDR 6.9 million ($10 million) from the International Development Association will help China carry out the reforms. The project will help prepare legislation, provide legal training and strengthen institutions involved in drafting and enforcing laws.

Guinea Guinea, like China, is shifting to a market economy after more than 25 years of central economic planning. To help the government reform Guinea's financial sector, IDA approved a credit of SDR 16.3 million ($23 million). The project will aid policy reforms to strengthen the country's monetary, regulatory and supervisory environment, develop a bridge between the informal and formal economies and boost institutions such as the Central Bank and Ministry of Finance.

Loan to Estonia Will Strengthen Banks and Finance Enterprise Restructuring

C. Carnemark/World Bank

In Estonia, bulky state enterprises, like the one shown are being closed, privatized and restructured. But both reforming and new businesses need capital, and Estonia's financial sector is lagging behind the country's growing credit needs.

Estonia has already taken important steps towards developing a market-based banking system. Now a $10 million World Bank loan, approved October 18, will provide long-term funds for banks to on-lend to enterprises undergoing restructuring. The project will also provide training to commercial banks in credit evaluation, long-term finance structuring and monitoring, and risk asset management.

WORLD BANK NEWS

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Steve Hendrix, Reporter

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WORLD BANK NEWS

Volume XIII, No. 40

October 27, 1994

REPORTS

Prospering From Peace

Bank Looks at Jordan's Economic Prospects

AP Photo/Jerome Delay

What will peace mean to Jordan? A comprehensive World Bank study suggests Jordan's accord with Israel presents it with it long-term opportunities for more private investment and increased trade, but also with new costs and immediate challenges to its economic stability.

The 92-page report, *Peace and the Jordanian Economy*, prepared by analysts in the Bank's Middle East and North Africa Region, finds the potential for a substantial peace dividend for Jordan, but one that will require bold government action and international support.

"Jordan has within its grasp most of the tools to deal with the major economic

See **JORDAN**, *page 3*

RESEARCH

"Super Rice" is on the Way

The International Rice Research Institute (IRRI) this week announced the development of a new breed of "super rice" that can produce 25 percent more grain on the same amount of land and help feed an additional 450 million people a year. IRRI is one of the 17 centers of the Consultative Group on International Agricultural Research (CGIAR), which is holding its annual meeting this week at the World Bank in Washington.

IDEAL

Under the best conditions, the new rice variety will yield five tons per acre, a ton more per acre than conventional rice. Widely planted, "super rice" could pro-

See **RICE**, *page 2*

INSIDE

The CGIAR recognizes work that may wipe out a disease devastating to crucial plantain and banana crops . **2**

Viet Nam is aggressively pursuing economic reform. A new IDA credit aims to help the country enter the next phase . **4**

Poland will get a $170 million loan to help it implement a debt reduction plan. **6**

What is CGIAR?, page 2

■

Development agenda, page 5

■

Gender symposium, page 6

Great Grain Could Feed a Half Billion More People a Year

RICE, *from page 1*

duce 100 million more tons than is currently grown. In Asia alone, the average annual per capita consumption of rice is 440 pounds a year. The additional 100 million tons would feed almost a half-billion people. The new rice will be commercially distributed in about five years.

The development of "super rice" is particularly important as there has been no significant increase in the amount of land cultivated for rice since the 1980s.

"It's not possible to step up rice production dramatically by planting on new land," says Ismail Serageldin, Chairman of the CGIAR and Vice President of the Bank's Office of Environmentally Sustainable Development. Additionally, 10 percent of the land devoted to growing rice is showing signs of soil fatigue from intensive monoculture, according to IRRI scientists.

The IRRI team, led by Dr. Gurdev S. Khush, who joined the Institute in 1967, examined 80,000 rice samples for desired characteristics, then crossed selections to produce the traits they wanted in a new rice—among them resistance to pest and disease, taste, and good grain-to-straw ratio. Now the scientists must match the new rice to various agronomic practices such as planting, weed control and proper fertilizer application. After this, IRRI will begin to adapt the new rices to a variety of local conditions and requirements.

IRRI is also committed to creating rice that can grow with much less water. Presently, more than 500 gallons of water are required to grow one kilogram of rice. "This cannot continue as people and industries compete for this finite resource," says Serageldin. IRRI scientists are convinced they can produce a variety that will consume less than half this volume of water, thereby protecting the environment.

"Protecting the environment without protecting the welfare of the people is an illusion," says Dr. Klaus Lampe, IRRI's Director General. "Producing food by disregarding the needs of coming generations is a crime. That's why we at IRRI strongly believe that the latest achievements in breaking the yield barrier will have a dramatic effect on alleviating hunger, feeding another billion rice eaters and simultaneously helping conserve the resource base." □

What Is CGIAR?

The Consultative Group on International Agricultural Research is an informal association of 43 governments, international organizations and private foundations supporting an international research system for agriculture, forestry, fisheries and natural resources management in developing countries.

The CGIAR is jointly sponsored by the World Bank, the United Nations Development Programme, and the Food and Agriculture Organization.

For additional information on the CGIAR and its 17 research centers, contact Heinrich Von Loesch, 202-473-8913.

CGIAR Gives Research Award

The CGIAR's 1994 King Baudouin Award was given this week to the International Institute for Tropical Agriculture (IITA) in recognition for pioneering research on breeding hybrid plantains resistant to black sigatoka—a devastating disease of plantain and banana in Africa.

Black sigatoka, a leaf spot disease, causes 30 to 50 percent yield losses to plantain and banana production in Sub-Saharan Africa, where the crop is said to exceed the values of maize, rice and cassava. IITA developed a resistant hybrid plantain in collaboration with other agricultural research centers in Europe, Africa and Latin America.

"Millions of small African farmers and their families to whom plantains are a nutritious and tasty basic food will benefit from IITA's scientific advances," said CGIAR Chairman Ismail Serageldin in presenting the biennial award to IITA Director General Lukas Brader.

The King Baudouin Award, named after the late Belgian monarch, was established by the CGIAR in 1981 to recognize an outstanding achievement by one or more of its centers in the development of a technology with great potential impact in developing countries.

A stricken leaf.

Peace With Israel Poses Economic Opportunities – and Risks – for Jordan

JORDAN, *from page 1*

challenges of peace and to seize the opportunities it offers," says MENA Vice President Caio Koch-Weser in a foreword to the report, "but peace makes completing the task of economic reform more urgent."

Caio Koch-Weser

In seven chapters, the report recommends actions to manage the new challenges in several parts of the Jordanian economy, including water resource management, monetary and exchange rate policy, trade, tourism and labor markets.

The quickest benefits—coming in the first two years of the peace accord—are likely to be felt mainly in the financial services sector. The expected expansion of Jordanian banking services will increase commercial bank profits and promote trade.

But the report warns of risks for commercial banks operating in a new multicurrency environment (the Jordanian dinar, Israeli shekel and U.S. dollar coexist in the West Bank and Gaza), and "Jordanian banks should be very conservative and tightly supervised."

In the longer term, peace offers expanded horizons in trade, tourism, water resources management, infrastructure development and private investments. However, these will materialize only if efforts to make the Jordanian economy more open and competitive are maintained and if domestic policy reforms accompany progress in international relations.

Says John Page, MENA chief economist and the report's main author, "Continued implementation of the ongoing reform program, sustained good economic management, additional efforts to build a friendly environment for private sector development and external debt relief are all essential to establish Jordan's economic credibility in the eyes of the international community."

One of the greatest challenges is posed by Jordan's $7 billion debt. If the country is to attract the private investment needed for high growth rates, the report says, the international community must help Jordan reduce its debt.

"Jordan's current level of debt casts a cloud over its ability to attract sustained, high levels of private foreign investment," Koch-Weser said at a press conference to release the report. "While a gradual process of growing out of debt is possible, debt relief would simultaneously permit faster growth and greater creditworthiness."

But the report cautions that many factors could cause economic changes to unfold at a pace far "slower than many hope or fear." Improvement will depend on continued political progress in the region, the ability of Palestinian institutions to implement development programs and a quick flow of aid disbursements to the West Bank and Gaza.

> **Jordan has within its grasp most of the tools to deal with the major economic challenges of peace and to seize the opportunities it offers.**
> **—Caio Koch-Weser**

The early risks to Jordan include possible inflation arising from rapid economic growth in the Palestinian self-rule area, uncertainty arising from the use of the Jordanian dinar there and the impact of increased capital flows on the dinar exchange rate. □

Table 4.6: Comparisons of Selected Jordanian Exports and Israeli Imports - 1992
(millions of Dollars)

SITC Number	Sector Name	Israel Imports	Jordanian Exports
522	Inorganic elements	54.0	9.1
523	Other inorganic chemicals	54.2	20.6
55	Perfume and cleaning products	123.1	55.3
651	Textile yarn	243.8	8.4
6513	Cotton yarn	90.9	3.1
6612	Lime and cement	82.8	32.7
678	Iron, steel tubes, pipes	303.0	6.7
699	Base metals	69.6	2.6
723	Civil engineering equipment	116.6	6.6
8219	Furniture and parts	64.8	5.1
8939	Miscellaneous plastic articles	129.4	14.6

Source: United Nations, Yearbook of International Trade Statistics, 1992.

Bank Approves $150 Million Boost for Viet Nam's "Home Grown" Reforms

Viet Nam's bold economic reform program, under way since 1989, will get a boost from a credit of SDR 103 million ($150 million) from the International Development Association. The credit, approved October 25, is designed to support the economy as Viet Nam enters a more demanding phase in its transition to a market system. These reforms will touch on many aspects of economic management, from budget preparation and reform of the banking sector, to trade liberalization and reform of state enterprises.

The Government of Viet Nam has already completed a wide range of reforms—including stabilization and price reforms—that often occur under a first adjustment loan. Now the country is ready to move on to more difficult structural measures.

"Viet Nam's reforms to date have had a profound impact on poverty reduction," says David Dollar, the Bank's architect of the structural adjustment credit. "The measures supported by this credit are designed to keep up the momentum of economic development and poverty alleviation."

Already, Viet Nam has liberalized prices, devalued and unified the currency, dismantled collectivized farming, enacted sweeping monetary and fiscal reforms and embarked on the overhaul of the state-owned enterprise sector, trade regulations and investment rules. Much also has been done to modernize the country's laws, providing a firm underpinning for commercial and civil transactions. And it has done so while maintaining a strong economic growth rate and keeping inflation well under check.

"The distinctive feature of the adjustment going on in Viet Nam is that it is 'home grown,'" says Callisto Madavo, director of the World Bank country department which includes Viet Nam. "The process began four years before Viet Nam received any real financial help from the outside world. The Bank's role, though significant, is one of offering advice and support. Viet Nam is very much in the drivers' seat, and from the Bank's point of view, that is the ideal situation."

Likewise, the Bank's overall Country Assistance Strategy for Viet Nam, approved by the Board on the same day, was produced in full consultation with the Vietnamese, along with numerous workshops and discussions with government agencies, non-governmental organizations and other donors. The inclusive design is part of the Bank's efforts to increase local involvement in its work.

"This is big step toward more community participation in official development assistance," says Dollar.

Despite the country's impressive achievements, poverty remains widespread, and major structural reforms await to be tackled. Specifically, the government intends to:

- hold the fiscal deficit to a manageable level. It has been brought from 6.2 percent of GDP in 1993 to 2.7 percent in 1994, and is expected to be about 3.3 percent in 1995.
- improve the efficiency of public expenditures so essential services can expand;
- strengthen incentives for private savings, investment and production. Weak infrastructure and an inefficient financial system are the major bottlenecks to investment. Providing

See **VIET NAM**, *page 6*

VIET NAM AT A GLANCE

Population: 72.3 million
Annual Population Growth Rate: 2.2 percent
Annual Per Capita Income: Below $200
Life Expectancy : 67 Years
Infant Mortality: 36 per 1000 live births
Total Exports: $3.6 billion
Total Imports: $4.0 billion

Development Agenda

Date	Event	Sponsor	Location	Telephone
OCTOBER				
24-27	Second International Conference on Carbon Dioxide Removal	Research Institute of Innovative Technology for the Earth	Kyoto, Japan	(81)6 376 2963
24-28	International Centers Week: Consultative Group on International Agricultural Research (CGIAR)	CGIAR	Washington	(202)473-8913*
24-28	Special Program on Africa Donors' Meeting	World Bank	Paris	(33-1)4069-3016
28-29	Sixth Annual Governing Meeting	Common Fund for the Commodities	Amsterdam	(3120)66-46-409
30	Middle East Economic Summit	Regional Heads of State	Casablanca	(202)473-4784*
NOVEMBER				
1-3	GEF Council Meeting	GEF	Washington	(202)473-8324*
2-4	Bolivia Consultative Group Meeting	World Bank	Paris	(33-1)4069-3016
4-6	European Meeting of Trilateral Commission	EEC	Vienna	
6-11	Third International Congress on Energy, Environment and Technological Innovation	Central University of Venezuela/ University of Rome "La Sapienza"	Caracas, Venezuela	(58-2)693-1103
10-11	Gender Symposium	World Bank/Inter-American Development Bank	Washington	(202)473-3764*
15-16	Viet Nam Donors' Meeting	World Bank	Paris	(33-1)4069-3016
16-23	Fifth African Regional Conference on Women	United Nations	Dakar, Senegal	(251)1-51-1263
17-18	Regional Conference on East-West Economic Partnership and Bretton Woods after 50 Years	Robert Triffin-Szirak Foundation/European League of Economic Cooperation	Brussels	(202)473-1797*
21-22	First African Development Bank Conference in South Africa	African Development Bank	Johannesburg, South Africa	(27-11)883-3737

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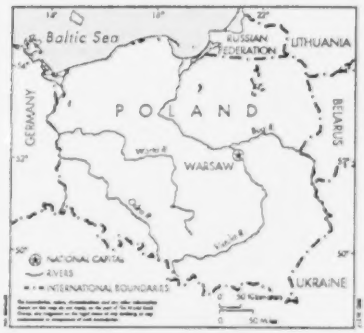
Help for Poland's Debt Reduction

Poland's external debt at the end of 1993 totaled $47.7 billion, more than half the country's gross domestic product. To help Poland reduce its sizable debt, the World Bank this week approved a loan of $170 million. The loan will help the country implement a new program of debt and debt- service reduction.

In spite of its debt, Poland posted the highest growth rate in Europe in 1993, and its reform program has brought about three straight years of economic recovery. The debt reduction program will allow Poland to further streamline its economy through a menu of options, including reductions in the Polish commercial debt.

The loan, which will cover a part of the program's costs, will accompany the release of an additional $230 million that was set aside under three adjustment operations now under way in Poland.



Weekly Lending Roundup

Cote d'Ivoire An International Development Association credit to Cote d'Ivoire of SDR 70 million ($100 million) will help the country implement a reform program needed to improve economic growth. At the same time, the credit will help close a financing gap for 1994.

Reforms under the credit include: reforms in central government finances, especially with regard to broadening the tax base and improving investment programming; deepening trade reform by eliminating most non-tariff barriers; liberalizing prices and electricity tariff reform; improving rice import and distribution policies; and increasing competition in maritime transport.

Gender Symposium to Be Held at World Bank

The World Bank and the Inter-American Development Bank will co-sponsor a symposium on gender issues and how they affect development. At the two-day gathering, to be held at World Bank headquarters on November 10-11, staff from the two Banks and outside experts will discuss operational and policy issues in three sessions: Gender, Family and Economy; Gender and Social Security/Social Insurance; and Gender and Property Rights.

The Gender Symposium will be Thursday, November 10, from 9:00 a.m. to 5:00 p.m. in the Bank's "J" building, room B1-080, and Friday, November 11 from 9:00 to 5:00 in the "H" building, room 3-300.

For more information, contact Elene Makonnen at (202) 473-3764.

VIET NAM, *from page 4*

export incentives in the context of broad trade reform will also spur savings and investment.

The large project commitments being made by major donors could provide significant financing for Viet Nam's development in the years ahead. But to take maximum advantage of the development assistance, the government will need effective institutions and procedures. The Bank's early experience with project implementation in Viet Nam has revealed some weaknesses in the existing institutions and procedures, and improving this capacity will form an integral part of the Bank's work with the government. □

WORLD BANK NEWS

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REPORTS

Drinking From One Cup

Bank Program Maps Water Sharing and Regional Development in Middle East

The World Bank unveiled a program to develop the Jordan Rift Valley— and address some of the region's critical water issues— during the Middle East and North Africa Economic Summit held in Casablanca, Morocco, this week.

A report, prepared jointly by the Bank and the parties concerned at the urgent request of the Israeli and Jordanian authorities, maps out areas of possible cooperation in a region shared by the two countries. They include the shared management of water resources, the interconnection of power grids, new or improved telecommunications and highway links, and the promotion of tourism on both sides of the valley. The program has been endorsed by both governments, and the Bank and the United States announced they will share the costs of an agreed preparatory stage. That stage is expected to cost about $450,000 and last six months. The main study is expected to cost about $3.6 million and take about 18 months.

Following the signing of the accord last week between Jordan and Israel, the Rift Valley program is intended to "cement the peace" by helping provide economic benefits as soon as possible. Further, it could be a model for cooperation throughout the region as the peace process spreads.

"What is now needed is to find more and better ways in which the countries of the region can come together in a concerted effort of economic region-build-

See MIDDLE EAST, *page 2*

World Bank

Draft plans

INSIDE

The Bank's environmental lending to Latin America and the Caribbean will climb, according to a new report. **3**

Mexico launches a plan to overhaul its technical education system. **4**

The CGIAR wraps up its annual meeting with pledged new funding and an agreement on plant genebanks. **6**

Development agenda, page 5

IFC market news, page 6

Gender symposium, page 6

Regional Peace Opens New Opportunities

MIDDLE EAST, *from page 1*

ing," said Caio Koch-Weser, vice-president for the Middle East and North Africa, in his address to the conference. Koch-Weser presented the plan as an "example of the World Bank's capacity to respond rapidly and substantially at the technical level to new initiatives."

The valley, part of the great tectonic rift that extends from the Middle East into Africa, has a unique topography and geology, a rich history, and is located on natural trade routes. Its potential for development is strong, but there is limited water, the desert climate is extremely hot in the south of the valley, and the environment is fragile.

Because of political uncertainty, the valley was for decades a region of closed borders and infrastructure bottlenecks. People and goods did not move freely, and private investment and tourism was limited. Peace has opened up new opportunities. And if the standard of living is raised and if the economic stakes are shared, this might help secure the peace, the report says.

For more information on the report, *Integrated Development of the Jordan Rift Valley*, contact Jeannie Yamine, 202 473-2318.□

World Bank

Peace pipe?

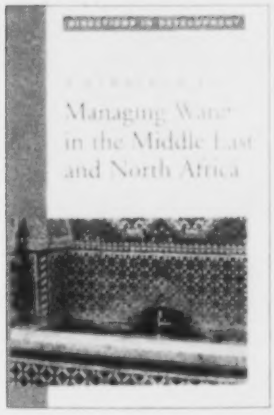
Water in the Rift Valley

Water is a key to the future economic development, quality of life and peace in the Middle East, according to the new report on regional development in Jordan and Israel.

Both countries will need large volumes of water for the growing population in the valley and for agriculture, mining and tourism. Until now, approaches to water supply and wastewater were similar but separate. The valley is not unlike other areas in the Middle East, so cooperative solutions here could serve as examples around the region.

Areas of cooperation suggested in the report include monitoring precipitation, management of groundwater, the sharing of information on water catchment techniques, wastewater reuse, and desalination for the domestic and industrial water supply in the Aqaba-Eilat area.

An important area of cooperation could be the evaluation of the proposed canal from the Red Sea to the Dead Sea. Using the 400 meter drop from one sea to the other, this project could generate hydropower which could in turn be used for desalination. This large project would need careful study to assess its economic and environmental feasibility, the report noted, and would not, in any scenario, start producing water and power before at least 8 to 10 years. The cost of the canal project was estimated in 1988 at $2 billion.



Journalists: To receive more information on the Bank's work on water in the Middle East, or to receive a copy of the Bank's comprehensive report on the issue, A Strategy for Managing Water in the Middle East and North Africa, *shown above, contact Jeannie Yamine at 202 473-2318*

REPORTS

Environmental Lending Rises Rapidly in Latin America and the Caribbean

The World Bank is devoting more attention—and more resources—than ever to environmental problems in Latin America and the Caribbean (LAC), according to a new Bank report.

Lending for the environment has neared 25 percent of all Bank loans and credits to the region, and will climb to more than a third of operations there over the next three years. In some areas, the proportion of environmental projects is even higher, according to A Partnership for Environmental Progress, published this week. In Mexico and Central America, for example, 76 percent of the Bank's commitments in fiscal 1994 had an environmental focus.

The report, prepared by the Bank's Latin America and Caribbean Region, says lending for environmental projects or those with significant environmental components has climbed steadily since the beginning of the decade. In the last fiscal year alone, the Bank lent more than $2 billion for projects in 13 countries. The funds have gone to fight deforestation, water and air pollution, greenhouse gasses, hazardous waste and biodiversity loss in countries across the region.

Also, the Global Environment Facility, in which the Bank is a partner, approved about $30 million in grant funding to help preserve biodiversity, reduce global warming and clean up international waters. And the Bank channeled more than $12 million for projects under the Montreal Protocol to help phase out ozone depleting substances.

"The World Bank has integrated the environmental aspects of economic development into its core business of lending and providing policy advice," says Shahid Javed Burki, the Bank's vice president for the region. "Sustainable economic development is inseparable from wise management of natural resources."

According to Sri-Ram Aiyer, head of the region's technical department, the pace of environmental lending has picked up as support for it has grown within the Bank—every LAC country department now has an environmental division—and within the countries themselves.

"In many countries of Latin America, there's grass-roots support for looking at the environmental consequences of development," he says. "That's the kind of change we are pleased to see."

In the mid 1980s, the Bank's environmental work in the region started with analytical help in identifying the problems. But it has quickly moved into the trenches—literally, in the case of many water and sewer projects—of helping governments improve the environment. The report describes three main areas of environmental emphasis that have since emerged:

• **The Urban Environment**. Almost three quarters of Latin American and Caribbean people live in cities, where environmental problems are critical. The so-called "brown agenda" calls for improving people's health and living conditions with safe water, sewage treatment, solid waste disposal and cleaner air. This is main focus of the Bank's work. "About a third of the region's population doesn't have access to safe drinking water," says Aiyer.

• **Natural Resource Management**. But many of the people not living in big cities are clearing new settlements along forested frontiers. The region's "green" environmental problems include clear cutting of forests, land ruined by harsh farming methods, mismanaged water and fisheries and disappearing plant and animal species. The Bank is working with non-governmental organizations (NGOs) to help fight many of these problems. Early next year, the Bank and the World Wildlife Fund will release a jointly prepared study

See **ENVIRONMENT**, *page 4*

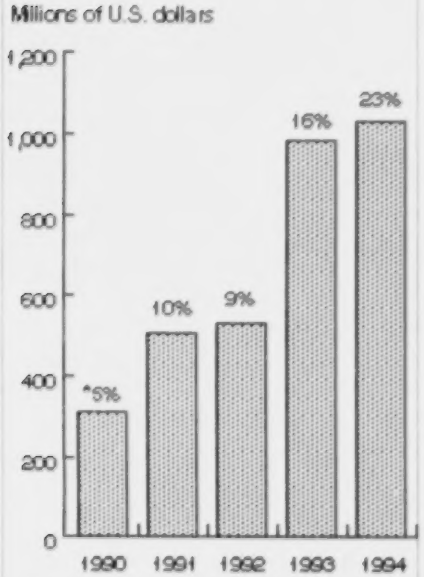
'Green' Projects Near 25 Percent of LAC Lending

ENVIRONMENT, *from page 3*

of the region's rich biodiversity. The findings will guide governments, the Bank and NGOs in their environmental work in Latin America.

• **Social Concerns**. The report cites the need to emphasize the social dimension of development projects. These include improving resettlement practices when people are displaced, tailoring development and resource management activities to the needs of indigenous peoples and increasing public participation in project planning. □

Environmental Lending in Latin America and the Caribbean



* Percentage of total World Bank lending in the region.

LENDING

Mexico Turns to Training

Technical Education Joins School Reforms

Mexico's economy is poised to take off, and its need for skilled workers is climbing every year. But the country's system for technical education lags behind, leaving workers without adequate ways to get new or updated training and employers without confidence in the skills a new worker brings to the job.

Now a $265 million Bank loan will help Mexico modernize its technical education and training system. Under the $412 million project, businesses and labor groups will work together to identify the appropriate skills for particular occupations and help design courses to teach them. The plan will help train more than 200,000 workers in more than 8,000 public and private courses, provide scholarships to some low-income students and unemployed workers, and put better equipment in classrooms. New certification standards will give credibility to students' diplomas while giving firms confidence in their new hires and continuing education courses will let mid-career workers update their skills.

Together, the project's components will help bring Mexico's crucial system of technical education and worker training up to the needs of its fast-growing economy.

"The Mexican economy is right now on the front line of competing with some of the most productive economies in the world," says John Innes, a senior economist in the Bank's Latin American Region. "And acquisition of skills is essential for workers themselves to compete in a modern technological economy."

Mexico has already made great strides in improving its overall education system. Two Bank-backed projects in 1991 and 1994 targeted primary education, especially in poorer states. But technical education still follows an inflexible academic curriculum, rather than a practical one that responds to changes in the work place. The long, rigid courses are often useless for employed workers who want to learn new skills, and the quality of training varies dramatically from school to school. And the private sector, which depends on well-trained workers to thrive, has had little role in technical education and has provided little in-house training.

The program will help train more than 200,000 workers in more than 8,000 public and private courses, and provide scholarships to some low-income students and unemployed workers.

Under the project, technical education will become more responsive, more practical and more rigorous. New curricula—first in pilot programs and then nationally—will give workers a chance to learn more of the skills they may need on the job. A hotel maintenance worker, for example, could learn time management as well as air conditioning repair and general electrical engineering. Workers and employers together will help set the standards for courses and for certification in more than 20 occupational groups. The project, then, will retrain instructors and provide teaching materials and new equipment for the classes.

And to foster greater involvement by the private sector, small and medium-sized private firms will get help in setting up their own training programs and sending their workers out for new and continuing training.

"This needs to be a lifetime process of acquiring new skills and adapting to change," Innes says. □

DEVELOPMENT AGENDA

Date	Event	Sponsor	Location	Telephone
NOVEMBER				
2-4	**Bolivia Consultative Group Meeting**	World Bank	Paris	(33-1)4069-3016
6-11	**Third International Congress on Energy, Environment and Technological Innovation**	Central University of Venezuela/ University of Rome "La Sapienza"	Caracas, Venezuela	(58-2)693-1103
10-11	**Gender Symposium**	World Bank/Inter-American Development Bank	Washington	(202)473-3764*
15-16	**Viet Nam Donors' Meeting**	World Bank	Paris	(33-1)4069-3016
16-23	**Fifth African Regional Conference on Women**	United Nations	Dakar, Senegal	(251)1-51-1263
17-18	**Regional Conference on East-West Economic partnership and Bretton Woods after 50 Years**	Robert Triffin-Szirak Foundation/European League of Economic Cooperation	Brussels	(202)473-1797*
17-18	**Tanzania Consultative Group Meeting**	World Bank	Paris	(33-1)4069-3016
21-22	**First African Development Bank Conference in South Africa**	African Development Bank	Johannesburg, South Africa	(27-11)883-3737
21-22	**Georgia and Armenia Consultative Group Meeting**	World Bank	Paris	(33-1)4069-3016
21-25	**Banking with the Poor: Third Asia—Pacific Regional Workshop**	The Foundation for Development Cooperation	Brisbane, Australia	(61)7-236-4633
29-Dec. 2	**10th Annual Conference of the Center for Environmental Information**	Center for Environmental Information	Washington	(716)262-2870*
DECEMBER				
7	**Kyrgyz Republic Investors' Meeting**	World Bank	Paris	(33-1)4069-3016
8-9	**Zambia Consultative Group Meeting**	World Bank	Paris	(33-1)4069-3016

Editor's Note: *Development Agenda* is a feature that alerts journalists to key news events in the field of economic development. Journalists should contact sponsoring agencies for details about each event. Asterisk (*) indicates telephone number is in the U.S.A. All other telephone numbers include country and city codes.

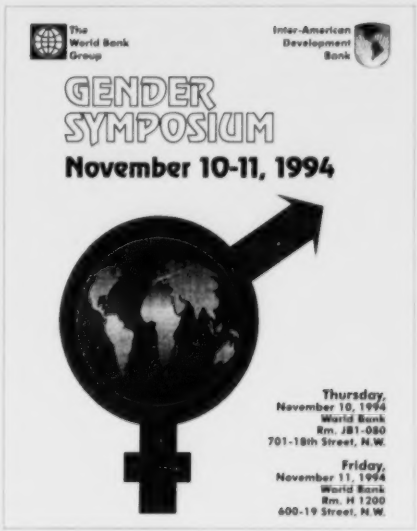
SYMPOSIA

Gender Symposium to Be Held at World Bank

The World Bank and the Inter-American Development Bank will cosponsor a symposium on gender issues and how they affect development. At the two-day gathering, to be held at World Bank headquarters on November 10-11, staff from the two Banks and outside experts will discuss operational and policy issues in three sessions: Gender, Family and Economy; Gender and Social Security/Social Insurance; and Gender and Property Rights.

The Gender Symposium will be Thursday, November 10, from 9:00 a.m. to 5:00 p.m. in the Bank's "J" building, room B1-080, and Friday, November 11 from 9:00 to 5:00 in the "H" building, room 3-300.

For more information, contact Elene Makonnen at (202) 473-3764.□



IFC Lists South Africa Stocks

The International Finance Corporation (IFC) this week added stock indexes for South Africa to its Emerging Markets Data Base. The addition of South Africa brings the service's coverage of emerging stock markets to 26, and the number of securities tracked by IFC to more than 1,400.

The South African stock market is the world's largest emerging stock market with a total capitalization of about $218 billion.

As is common with the addition of new index markets, IFC will calculate a stand-alone index for South Africa until March, 1995, when the country will be added to the composite and regional indexes. However, because of the large size of the South African Market, IFC will calculate composite indexes with and without South African stocks to run concurrently through the end of 1995.

IFC's Emerging Markets Data Base is the world's leading source of data on emerging stock markets. For more information, contact Iyad Malas at (202) 473-9112.□

Donors Boost Funds for CGIAR

International donors last week pledged about $270 million to fund the 1995 research agenda of the Consultative Group on International Agricultural Research (CGIAR).

The pledged support, along with additional money for 1994, heads off a funding crisis that threatened the group's global research in agriculture and food security. CGIAR officials say the funding boost protects the group until a ministerial conference next year in Switzerland.

"The stabilization is in place," says Ismail Serageldin, a Bank vice president and CGIAR chairman. "But this is only a means, not an end."

The annual four-day meeting also saw the signing of a new agreement between CGIAR and the Food and Agriculture Organization of the United Nations (FAO) to protect vital plant genebanks under FAO auspices. The genebanks are considered to be among the world's largest plant germplasm collections for agriculture.

CGIAR is a network 17 international research centers within an informal association of 43 governments, international organizations and private foundations supporting a world-wide research system for agriculture, forestry, fisheries and natural resources management in developing countries.

The organization is jointly sponsored by the World Bank, the U.N. Development Programme, and FAO.□

WORLD BANK NEWS

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